



Cumberland Valley Electric

A Touchstone Energy Cooperative 

RECEIVED

APR - 4 2014

PUBLIC SERVICE
COMMISSION

March 31, 2014

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: PSC Case No. 2014-00051

Dear Mr. Derouen:

Enclosed are the original and seven copies of the response of Cumberland Valley Electric as requested in Case No. 2014-00051. Each response includes the name of the witness. A signed certification of the person supervising the preparation is included.

If you have any questions about this filing, please feel free to contact me.

Sincerely,



Robert Tolliver
Office Manager

Enclosures

MAIN OFFICE:

P.O. Box 440 • Gray, KY 40734

Phone: 606-528-2677 • Fax: 606-523-2698

DISTRICT OFFICE:

P.O. Box C • Cumberland, KY 40823

Phone: 606-589-4421 • Fax: 606-589-5297

**CUMBERLAND VALLEY ELECTRIC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION'S REQUEST 2A**

Request 2A

For each of the 16 member distribution cooperatives, prepare a summary schedule showing the distribution cooperative's pass-through revenue requirement for the months corresponding with the six-month review. Include the two months subsequent to the billing period included in the applicable review period. Include a calculation of any additional over- or under-recovery amount the distribution cooperatives believes needs to be recognized for the six-month review. Include all supporting calculations and documentation for the additional over- or under-recovery.

Response:

See Exhibit A Page 1 of 3

Witness: Robert Tolliver

CUMBERLAND VALLEY ELECTRIC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION'S REQUEST 2B

Request 2B

For each of the 16 member distribution cooperatives, provide an explanation of the factors that contributed to each individual member distribution cooperative's over- or under-recovery amount.

Response:

The basic operation of the surcharge pass-through mechanism will produce monthly over- and under-recoveries as a result of the fact the 12-month average retail revenues used to calculate the pass-through factor never match the retail revenues the pass-through factor is applied to. If the 12-month average retail revenues are below the retail revenues the pass-through factor is applied to, then there will be over-recoveries. If the 12-month average retail revenues are above the retail revenues the factor is applied to, under-recoveries will result. This is part of the natural operation of the mechanism.

Another factor contributing to the over- or under-recoveries calculated for this review period is the amortization of previous surcharge over- or under-recoveries as determined in the final Orders in Case Nos. 2012-00486 and 2013-00140. Case No. 2012-00486 covered 18 months of surcharge operations and Case No. 2013-00140 covered 6 months of operations. While the over- or under-recoveries reflected 24 months of surcharge operations, in each case the amortization period was 6 months. Because of the timing of the final Orders in these cases, the amortization periods overlapped for 5 months.

The net amortization from two surcharge review proceedings resulted in a net over-recovery for Cumberland Valley, which resulted in the surcharge revenues to be collected from retail customers being lower than the amounts billed by EKPC. Coupled with the natural operation of the surcharge pass-through mechanism, Cumberland Valley experienced an under-recovery for the current review period.

Witness: Robert Tolliver

CUMBERLAND VALLEY ELECTRIC
PSC CASE NO. 2014-00051
RESPONSE TO COMMISSION'S REQUEST 7

Request 7.

This question is addressed to each of the 16 member distribution cooperatives.
For your particular distribution cooperative, provide the actual average residential customer's monthly usage for the 12 months ending November 30, 2013. Based on this usage amount, provide the dollar impact of any over- or under-recovery will have on the average residential customer's monthly bill for the requested recovery period. Provide all supporting calculations.

Response:

No Recovery

Average Monthly Residential Usage		1,117
12 Months Ending November 30, 2013		
<u>Energy@</u>	0.08563	\$95.65
Customer Charge		\$5.74
Fuel @	-0.0013372	(\$1.49)
Environmental Surcharge @	4.25%	\$4.25
Local School Tax @	3.00%	<u>\$3.12</u>
TOTAL BILL AMOUNT		\$107.27

*See Exhibit A Page 2 of 3

Six-Month Recovery

Average Monthly Residential Usage		1,117
12 Months Ending November 30, 2013		
<u>Energy@</u>	0.08563	\$95.65
Customer Charge		\$5.74
Fuel @	-0.0013372	(\$1.49)
Environmental Surcharge @	5.76%	\$5.75
Local School Tax @	3.00%	<u>\$3.17</u>
TOTAL BILL AMOUNT		\$108.82

*See Exhibit A Page 3 of 3

The Dollar Impact \$1.55
Our most current billing period of February 2014 was used for calculation

Witness: Robert Tolliver

Cumberland Valley Electric - Calculation of (Over)/Under

	EKPC Invoice Month recorded Member's Books	Billed to Retail Consumer & recorded on Member's Books	Monthly (Over) or Under	Cumulative (Over) or Under
Mo/Yr	(1)	(2)	(3)	(4)
Jul-13	\$ 416,024	\$ 436,855	\$ (20,831)	\$ (20,831)
Aug-13	\$ 382,917	\$ 416,273	\$ (33,356)	\$ (54,187)
Sep-13	\$ 329,986	\$ 275,954	\$ 54,032	\$ (155)
Oct-13	\$ 308,426	\$ 262,679	\$ 45,747	\$ 45,592
Nov-13	\$ 449,675	\$ 297,199	\$ 152,476	\$ 198,068
Dec-13	\$ 544,950	\$ 435,317	\$ 109,633	\$ 307,701
Jan-14	\$ 583,838	\$ 572,762	\$ 11,076	\$ 318,777
Feb-14	\$ 341,990	\$ 398,088	\$ (56,098)	\$ 262,679

Cumulative 6-months (Over)/Under Recovery \$ 307,701

Monthly Recovery (per month for six months) \$ 51,284

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Cumberland Valley Electric

For the Month Ending February 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Cumberland Valley	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Cumberland Valley	EKPC 12-months Ended Average Monthly Revenue from Sales to Cumberland Valley	Cumberland Valley Revenue Requirement	Amortization of (Over)/Under Recovery	Cumberland Valley Net Revenue Requirement	Cumberland Valley Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Cumberland Valley Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Cumberland Valley Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col (3) x Col (7)		Col (8) + Col (9)			Col. (11) - Col. (12)		Col (10) / Col (14)
Mar-12	12.92%	0.00%	12.92%	2,412,544		2,412,544	2,710,882	350,246	-	350,246	2,969,090		2,969,090	3,480,760	9.89%
Apr-12	14.94%	0.00%	14.94%	2,088,654		2,088,654	2,697,313	402,978	-	402,978	2,800,486		2,800,486	3,461,927	11.58%
May-12	16.90%	0.00%	16.90%	2,273,514		2,273,514	2,696,338	455,681	-	455,681	3,041,094		3,041,094	3,485,559	13.16%
Jun-12	15.55%	0.00%	15.55%	2,464,606		2,464,606	2,676,388	416,178	-	416,178	2,781,417		2,781,417	3,455,567	11.94%
Jul-12	14.51%	0.00%	14.51%	2,706,093		2,706,093	2,656,703	385,488	-	385,488	3,575,045		3,575,045	3,456,933	11.16%
Aug-12	14.13%	0.00%	14.13%	2,516,047		2,516,047	2,621,269	370,385	-	370,385	3,598,947		3,598,947	3,416,893	10.71%
Sep-12	16.23%	0.00%	16.23%	2,217,586		2,217,586	2,612,242	423,967	-	423,967	2,760,296		2,760,296	3,391,047	12.41%
Oct-12	17.57%	0.00%	17.57%	2,342,637		2,342,637	2,612,369	458,993	-	458,993	2,893,662		2,893,662	3,396,871	13.54%
Nov-12	18.23%	0.00%	18.23%	2,951,708		2,951,708	2,625,372	478,605	-	478,605	3,724,856		3,724,856	3,413,007	14.09%
Dec-12	14.61%	0.00%	14.61%	3,071,075		3,071,075	2,616,819	382,317	-	382,317	3,595,071		3,595,071	3,368,792	11.20%
Jan-13	13.49%	0.00%	13.49%	3,226,392		3,226,392	2,608,325	351,863	-	351,863	4,642,247		4,642,247	3,391,523	10.44%
Feb-13	12.61%	0.00%	12.61%	2,916,221		2,916,221	2,598,923	327,724	-	327,724	3,893,708		3,893,708	3,356,327	9.66%
Mar-13	14.37%	0.00%	14.37%	3,064,072		3,064,072	2,653,217	381,267	-	381,267	3,770,405		3,770,405	3,423,103	11.36%
Apr-13	14.27%	0.00%	14.27%	2,250,724		2,250,724	2,666,723	380,541	-	380,541	3,085,730		3,085,730	3,446,873	11.12%
May-13	17.97%	0.00%	17.97%	2,239,113		2,239,113	2,663,856	478,695	-	478,695	2,800,325		2,800,325	3,426,809	13.89%
Jun-13	17.09%	0.00%	17.09%	2,432,452		2,432,452	2,661,177	454,795	-	454,795	3,151,321		3,151,321	3,457,634	13.27%
Jul-13	15.77%	0.00%	15.77%	2,434,308		2,434,308	2,638,528	416,096	(86,631)	329,465	3,144,888		3,144,888	3,421,788	9.53%
Aug-13	15.49%	0.00%	15.49%	2,428,129		2,428,129	2,631,201	407,573	(72,539)	335,034	3,137,474		3,137,474	3,383,332	9.79%
Sep-13	14.93%	0.00%	14.93%	2,130,317		2,130,317	2,623,929	391,753	(72,539)	319,214	2,896,035		2,896,035	3,394,643	9.43%
Oct-13	16.69%	0.00%	16.69%	2,065,805		2,065,805	2,600,860	434,083	(72,539)	361,544	2,683,025		2,683,025	3,377,090	10.65%
Nov-13	17.43%	0.00%	17.43%	2,694,276		2,694,276	2,579,407	449,591	(72,539)	377,052	3,151,601		3,151,601	3,329,319	11.16%
Dec-13	14.54%	0.00%	14.54%	3,126,509		3,126,509	2,584,027	375,717	(72,539)	303,178	4,087,434		4,087,434	3,370,349	9.11%
Jan-14	10.92%	0.00%	10.92%	4,015,375		4,015,375	2,649,775	289,355	14,092	303,447	5,132,308		5,132,308	3,411,188	9.00%
Feb-14	5.44%	0.00%	5.44%	3,131,762		3,131,762	2,667,737	145,125	-	145,125	4,369,862		4,369,862	3,450,867	4.25%

Notes:
Cumberland Valley Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.
Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.

East Kentucky Power Cooperative, Inc. - Distribution Cooperatives
Pass Through Mechanism Report for Cumberland Valley Electric

For the Month Ending February 2014

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Surcharge Factor Expense Month	EKPC CESF %	EKPC BESF %	EKPC MESF %	EKPC Monthly Revenues from Sales to Cumberland Valley	On-peak Revenue Adjustment	EKPC Net Monthly Sales to Cumberland Valley	EKPC 12-months Ended Average Monthly Revenue from Sales to Cumberland Valley	Cumberland Valley Revenue Requirement	Amortization of (Over)/Under Recovery	Cumberland Valley Net Revenue Requirement	Cumberland Valley Total Monthly Retail Revenues	On-Peak Retail Revenue Adjustment	Cumberland Valley Net Monthly Retail Revenues	12-months ended Avg. Retail Revenues, Net	Cumberland Valley Pass Through Mechanism Factor
			Col. (1) - Col. (2)			Col. (4) - Col. (5)		Col. (8) x Col. (7)		Col. (8) + Col. (9)			Col. (11) - Col. (12)		Col. (10) / Col. (14)
Mar-12	12.92%	0.00%	12.92%	2,412,544		2,412,544	2,710,882	350,246	-	350,246	2,969,090		2,969,090	3,480,760	9.89%
Apr-12	14.94%	0.00%	14.94%	2,088,654		2,088,654	2,697,313	402,978	-	402,978	2,800,486		2,800,486	3,461,927	11.58%
May-12	16.90%	0.00%	16.90%	2,273,514		2,273,514	2,696,338	455,681	-	455,681	3,041,094		3,041,094	3,485,559	13.16%
Jun-12	15.55%	0.00%	15.55%	2,464,606		2,464,606	2,676,388	416,178	-	416,178	2,781,417		2,781,417	3,455,567	11.94%
Jul-12	14.51%	0.00%	14.51%	2,706,093		2,706,093	2,656,703	385,488	-	385,488	3,575,045		3,575,045	3,456,933	11.16%
Aug-12	14.13%	0.00%	14.13%	2,516,047		2,516,047	2,621,269	370,385	-	370,385	3,598,947		3,598,947	3,416,893	10.71%
Sep-12	16.23%	0.00%	16.23%	2,217,586		2,217,586	2,612,242	423,967	-	423,967	2,760,296		2,760,296	3,391,047	12.41%
Oct-12	17.57%	0.00%	17.57%	2,342,637		2,342,637	2,612,369	458,993	-	458,993	2,893,662		2,893,662	3,396,871	13.54%
Nov-12	18.23%	0.00%	18.23%	2,951,708		2,951,708	2,625,372	478,605	-	478,605	3,724,856		3,724,856	3,413,007	14.09%
Dec-12	14.61%	0.00%	14.61%	3,071,075		3,071,075	2,616,819	382,317	-	382,317	3,595,071		3,595,071	3,368,792	11.20%
Jan-13	13.49%	0.00%	13.49%	3,226,392		3,226,392	2,608,325	351,863	-	351,863	4,642,247		4,642,247	3,391,523	10.44%
Feb-13	12.61%	0.00%	12.61%	2,916,221		2,916,221	2,598,923	327,724	-	327,724	3,893,708		3,893,708	3,356,327	9.66%
Mar-13	14.37%	0.00%	14.37%	3,064,072		3,064,072	2,653,217	381,267	-	381,267	3,770,405		3,770,405	3,423,103	11.36%
Apr-13	14.27%	0.00%	14.27%	2,250,724		2,250,724	2,666,723	380,541	-	380,541	3,085,730		3,085,730	3,446,873	11.12%
May-13	17.97%	0.00%	17.97%	2,239,113		2,239,113	2,663,856	478,695	-	478,695	2,800,325		2,800,325	3,426,809	13.89%
Jun-13	17.09%	0.00%	17.09%	2,432,452		2,432,452	2,661,177	454,795	-	454,795	3,151,321		3,151,321	3,457,634	13.27%
Jul-13	15.77%	0.00%	15.77%	2,434,308		2,434,308	2,638,528	416,096	(86,631)	329,465	3,144,888		3,144,888	3,421,788	9.53%
Aug-13	15.49%	0.00%	15.49%	2,428,129		2,428,129	2,631,201	407,573	(72,539)	335,034	3,137,474		3,137,474	3,383,332	9.79%
Sep-13	14.93%	0.00%	14.93%	2,130,317		2,130,317	2,623,929	391,753	(72,539)	319,214	2,896,035		2,896,035	3,394,643	9.43%
Oct-13	16.69%	0.00%	16.69%	2,065,805		2,065,805	2,600,860	434,083	(72,539)	361,544	2,683,025		2,683,025	3,377,090	10.65%
Nov-13	17.43%	0.00%	17.43%	2,694,276		2,694,276	2,579,407	449,591	(72,539)	377,052	3,151,601		3,151,601	3,329,319	11.16%
Dec-13	14.54%	0.00%	14.54%	3,126,509		3,126,509	2,584,027	375,717	(72,539)	303,178	4,087,434		4,087,434	3,370,349	9.11%
Jan-14	10.92%	0.00%	10.92%	4,015,375		4,015,375	2,649,775	289,355	14,092	303,447	5,132,308		5,132,308	3,411,188	9.00%
Feb-14	5.44%	0.00%	5.44%	3,131,762		3,131,762	2,667,737	145,125	51,284	196,409	4,369,862		4,369,862	3,450,867	5.76%

Notes:
Cumberland Valley Total Monthly Retail Revenues in Column (11) includes demand and energy charges, customer charges, and FAC revenues.
Revenues reported in Columns (4), (6), (7), (11), (13), and (14) are net of Green Power Revenues.